Put on board, list
News, new movements,

New games - a joystick

Debbie McDunnan

Point Board Meeting Agenda, December 14, 1987

Nancy, proud to have contributors photos, contributors performed

4% cost of inflaction
obey the law
personal manual
PMS manuals

Financial Status

WER is now operating in the black. Our net gain is about $5,000 per month. We've had a series of very successful renewal campaigns which are difficult to extrapolate from: will they hold up next year since they offered a unbeatable three year renewal? If they do, then we have a self-sustaining magazine. At the current rate we have a surplus of $60,000 per year to divvy back into the magazine or other projects. This does not include the extra money derived from the Apple project, amounting so far to $37,000.

In the bank we have a $30,000 CD reserved to repay the $30,000 loan for direct mail. We have $90,000 in our checking account. The second phase of the Hypercard project should leave us with a $10,000 fund for Point. I suggest putting another CD up and keeping $40,000 for operating funds. Reasonable?

annual review
paid 5/5 days

Salaries/ Benefits

Everyone makes $11 per hour. No health benies, no overtime (probably illegal), no paid sick or vacation time except two days: Christmas and Thanksgiving. Everyone needs a raise. How to keep the camaraderie in pay at Whole Earth while providing hope for advancement is my main quandary.

Certain long time staff would like Point to reinstate health benefits. A minimum of 5 people would qualify us. Point needs to pay for at least half, which is $45 per person per month for a plan at Kaiser. I would offer it to anyone who wants it. Those who don't want it would get no extra money. Fair?

HMO

WELL

The WELL is currently making a "profit" of $5,000 per month. That is, monthly revenues exceed normal operating costs by $5,000. That money is being used on system upgrades. UNIX version 4.3 was

bought for $10,000, the surest fix that would give meaningful speed to the user. It has helped noticeably. Next step is either Pico source-code for $4,500 (this has the most potential for improvement, and for headaches), or another hard disk at $9,000. The WELL is currently running at 98% capacity. Occasionally, like last weekend, it will max out, preventing users from posting messages.

Growth is slow and steady. There is a concerted effort to increase paying users (dropping accounts that show no activity and keeping new free-time hosts to a minimum), which has helped increase income. The heart of the WELL, the intelligent conversation and opinion, comes at a price -- 50% of the hours on the WELL are by non-paying hosts, who spend their time writing stuff other users pay to read. Incidentally, the monthly income of the WELL is approaching the average monthly income of Whole Earth Review of a year ago. There are about 1,700 paying subscribers to the WELL.

	August	September	October
Billed Income	25,169	26,287	29,880
Hourly @$3	7,809	8,302	9,351
Tymenet billing	4,182	4,931	7,135

The typical of the most active paying users ($100 or more per month) are programmers who are a Deadhead. Consultants and writers are other big users. It is definitely a lifestyle system and not supported by business users. Do we still want to sell the WELL?

Direct Mail

Direct mail overall did not do well (gross response of 1.62%). There are a couple of lists that did fine which we will mail to. After that we need to try again with probably a new package or new offer (such as free issue, cancel at any time, etc.) We had a gain of 1,108 new subscribers, which cost us about $10 a piece to buy. Suggestions?

Books

Proposals for two Whole Earth produced books have met with semi-enthusiasm by publishers. They interested, but won't put up the money we asked for. Both our readers and my sense of what is worth doing says we should do them. Cheaply, but do them. I'm wondering

if we should self-publish them. SIGANL would cost $30,000 to make (Ten Speed Press would print it and distribute). Fringes of Reason would cost $20,000 up front from us, in a similar deal. Should we go for it? Do something else?

Future

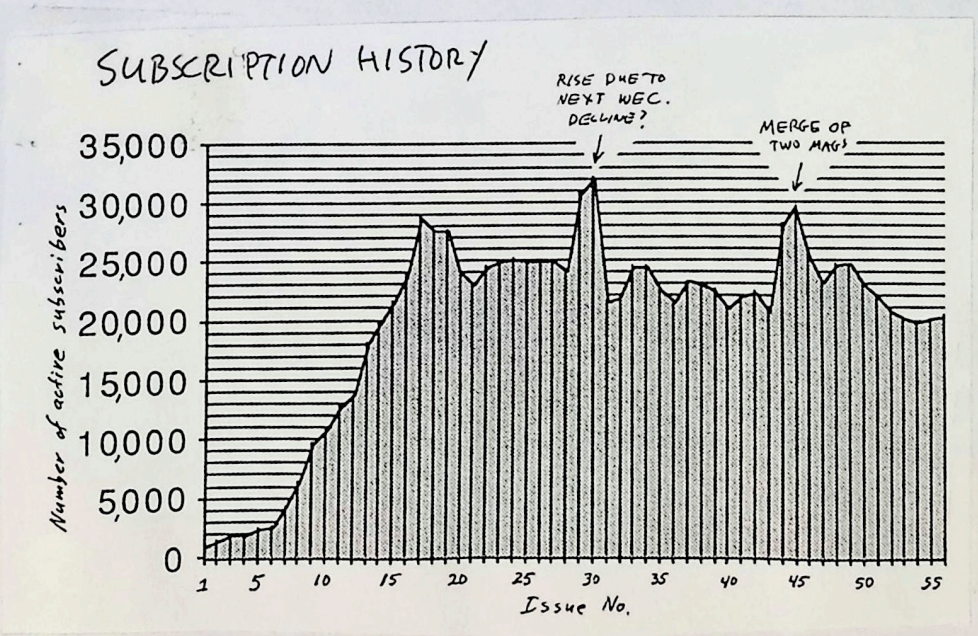
Taking Paul's maxim to look where I am unsatisfied as a customer, there are several possibilities Point might want to address. I'm starting with what Point (and myself) knows how to do best: provide an information service.

• I am unsatisfied with the outrageously overpriced rates for online research information. Just as the WELL planted a low-cost telecommunication community, there might be a place for a low-cost information dispensing utility.

• I'm not that crazy about any science magazine except *New Scientist*, which is British (read very good, and very expensive).

• I am unsatisfied with world news. The little in TIME and the newspapers isn't what I want. It's event orientated, or top-heavy political analysis. I want idea based news. I get a little on some PBS programs, a smitten on NPR, and fragmented pieces scattered in other magazines.

Point continues to sponsor the Hackers' Conferences. I'd like to see a gathering even broader -- video, satellite, tape, and computer hackers meeting each other for the first time. A sort of People's Media Lab. What other currents should Point be channeling?



Summary:

The mailing was a limited success; we uncovered a universe of 94,000 names we can mail to at break even or better. However, we did not strike it rich or achieve a resounding success on this first time out. The gross response was 1.62%; we needed 3% to break even (assuming a 50% pay-up rate on bill-me's).

Of the orders we received, 28% were cash orders, and 72% bill-me's. It is too early to know what the net response will be (i.e. it is too soon to know the pay-up rate on the bill-me orders). If we assume a pay-up rate of 50%, the net cash loss on this mailing will be $11,113. The ending balance in our direct mail fund will be $18,887, from which $10,000 is due to be repaid on February 1.

With the experience of this first mailing, we feel we can select lists that will allow us to expand this universe. Once we have analyzed the results of this mailing in more detail in January with our list broker and consultant/copy writer, revised the package/offer and secured an additional $10,000, we can plan the next mailing.

In brief, we can see now that our best lists were New Options (5%), Utne Reader (2.4%), Noetics (2.2%), Parabola (2.0%). The worst lists were Esalen (.6%), Sierra Club (.6%) and Mother Earth News (.8%). This suggests that in future we try to exploit more carefully smaller lists of "thinkers."

– Richard Schaufler

Total M's Avail.	LIST/CODE	# MAILED	Response This Wk	Response Prior	Cumulativ Response	Gross Response	Adjusted Gross	# Cash Orders	% Cash	# Bill Orders	% Bill
7M	BrainNind/BM	3000	0	37	37	1.23%	1.31%	9	24%	28	76%
29M	Coop America/CA	5000	0	78	78	1.56%	1.66%	28	36%	50	64%
34M	EastWest/EW	5000	2	73	75	1.50%	1.59%	24	32%	51	68%
9M	Esalen/ES	3000	0	16	16	0.53%	0.57%	1	6%	15	94%
172M	Harrowsmith/HS	5000	0	76	76	1.52%	1.61%	8	11%	68	89%
21M	In These Times/IT	3000	0	32	32	1.07%	1.13%	5	16%	27	84%
465M	Mother Earth/ME	5000	0	38	38	0.76%	0.81%	12	32%	26	68%
163M	Mother Jones/MJ	5000	1	49	50	1.00%	1.06%	16	32%	34	68%
62M	New Age/NA	5000	0	45	45	0.90%	0.96%	9	20%	36	80%
8M	New Options/NO	3000	3	141	144	4.80%	5.09%	26	18%	118	82%
16M	Noetics/NT	4000	2	82	84	2.10%	2.23%	33	39%	51	61%
15M	Parabola/PB	5000	2	94	96	1.92%	2.04%	26	27%	70	73%
10M (?)	Planetary Soc./PS	5000	2	54	56	1.12%	1.19%	24	43%	32	57%
2M	Rain/RN	2100	2	33	35	1.67%	1.77%	13	37%	22	63%
(?)	Sierra/SC	3000	0	17	17	0.57%	0.60%	7	41%	10	59%
55M	Utne Reader/UR	5000	6	105	111	2.22%	2.36%	31	28%	80	72%
18M	Yoga Jrnl/YJ	5000	0	50	50	1.00%	1.06%	6	12%	44	88%
NA	Flap Coupon/DA	NA	1	67	68	na	0.00%	35	51%	33	49%
1088M +	TOTALS:	71,100	21	1087	1108	1.56%	1.56%	313	28%	795	72%
		# MAILED	Response This Wk	Response Prior	Cumulativ Response	Gross Response	Adjusted Gross	# Cash Orders	% Cash	# Bill Response	% Bill

Report to Point Board
December 14, 1987

Through November, we are currently reporting a profit of $53,368. This profit relates to general operating activities and does not include the profit we made on the Apple Project (an additional $37,166). Total profit counting both sources is $90,534.

Revenues have averaged $55,000 per month.
Expenses have averaged $50,160 per month.
Profits have averaged $4,840 per month.

Direct expenses that appear on the budget report are those that are directly related to the cost of the magazine (printing, production, editorial, etc.). Indirect costs are overhead costs. December costs will include printing costs for issue #57, which will be around $26,000.

Cindy

APPLE PROJECT TO DATE *
12/14/87

Total Revenue	$52,000	
Total Direct Expense	14,834	
Total Indirect Exp	9,376	
Profit	$27,790	($37,166 if consider direct expenses only)

*Does not include $5,000 Revenue or related expenses from initial feasibility study in March

Indirect expenses are overhead costs which are part of, and included in, Point expenses.

POINT: Revenues and Expenses by Month and by Quarter

c:budget2.cal
10/30/87

	Jan	Feb	March(1)	April	May(1)	June
TOTAL REVENUE	49928	42681	54464	29159	45775	93682
TOTAL EXPENSES	39510	47437	68775	39527	57030	45619
PROFIT/LOSS	10418	-4756	-14311	-10368	-11255	48063
TOTAL DIRECT EXP	27120	35501	54467	30463	46587	34189
TOTAL INDIRECT	12390	11936	14308	9064	10443	11430

July Actual	August(1) Actual	Sept Actual	Oct Actual	Nov(2) Actuals	Year-to-Date
74310	42741	77215	56438	38742	605135
39903	77560	43354	38100	54952.	551767
34407	-34819	33861	18338	-16210	53368
30067	67746	31752	27765	44114	429771
9836	9814	11602	10335	10838	121996

	1st Qtr	2nd Qtr	3rd Qtr
TOTAL REVENUE	$147,073	$168,616	$194,266
TOTAL EXPENSES	155,722	142,176	160,817
PROFIT/LOSS	(8,649)	26,440	33,449
Direct Exp	117,088	111,239	129,565
Indirect Exp	38,634	30,937	31,252

FOOTNOTES: (1) Expenses include printing and mailing costs (around $26,000)
(2) Includes $14,345 in Direct Mail Costs
Other: Numbers above do not include Apple Income or Expenses. See summary on attached page.

	A	E	I	U	V
1	QUARTERLY POINT BUDGET. Actuals vs Budget				
2	c:budget2.cal	1st Qtr	2nd Qtr	3rd Qtr	Qtr
3	10/30/87	Actual	Actual	Actual	Budget
4					
5	Subscriptions	80605	111989	129029	144923
6	Back Issues	1049	2819	1064	975
7	Mailing List	7296	5908	7965	3800
8	Direct Distrib	15584	12751	22502	14170
9	Dell	17766	12519	13447	12500
10					
11	EWEC Sales	6329	4907	3114	4500
12	WESC Sales	555	448	253	225
13	CO Back Sales	390	239	106	180
14					
15	Chronicle	7150	7150	7700	7700
16	Unclasifieds	1388	1400	676	1300
17	Royalties	841	512	405	440
18	Contributions	1848	4570	6657	2525
19	Interest	270	374	762	245
20	Misc	6002	3030	586	0
21	==========	==========	==========	==========	==========
22	TOTAL REVENUE	147073	168616	194266	193483
23	==========	==========	==========	==========	==========
24	DIRECT EXPENSES				
25					
26	Circ Pay	13750	10966	12589	13000
27	Sub Fulfill	9517	9751	12262	9050
28	Circ Promo	4844	6905	26657	4600
29	Credit Card Disc	642	832	624	576
30	Direct Distrib	1049	1133	1018	995
31	Dell	2556	2451	1401	2428
32	Printing Mag	22900	21386	22608	22900
33	Mailing List	691	167	740	660
34					
35	Edit Pay	17881	19242	15323	16000
36	Writers/contribs	7910	8850	9400	8000
37	Networks (EIES, CS	254	214	227	112
38					
39	Rsrch Pay	2557	2718	281[illegible]	2520
40	Rsrch Material	540	363	58[illegible]	513
41					
42	Prodn Pay	13594	12360	10367	12900
43	Outside Prodn Work	512	998	815	420
44	Prodn Subs	1279	2137	1472	1215
45	Pre-press	4482	3981	4056	4260
46					
47	EWEC fulfill	296	534	356	255
48	Buy EWEC's	5019	0	-302	1500
49	Buy WESC's	888	236	235	193
50					
51	Chronicle Exp	5821	6015	6330	5700
52	----------	----------	----------	----------	----------
53	TOTAL DIRECT EXP	117088	111239	129565	107857
54	==========	==========	==========	==========	==========
55	REVENUE MINUS				
56	DIRECT EXPENSES	29985	57377	64701	85626
57	==========	==========	==========	==========	==========

	H	E	I	U	V
58	INDIRECT EXPENSES				
59					
60	Office Pay	6318	5415	4169	6000
61	Admin/Pub Pay			1009	
62	Insurance	889	927	2756	730
63	FICA TAxes	3924	3737	6251	4050
64	Other Taxes	660	2343	556	660
65	Off & comm sols	1406	1150	1087	1300
66	Equip Rent & Main	2136	1355	587	2030
67	Telephone	2576	2247	1655	2450
68	Postage	1989	1805	1334	1875
69	Travel & Ent	30	335	0	30
70	Container Rent	1200	543	600	600
71	Building Rent	7050	7458	8274	8274
72	Bldg Maint	54	27	54	54
73	Utilities	1268	1221	1273	1268
74	Legal & Profsl	1460	614	412	1050
75	Int & Penalties	2181	-180	259	450
76	Bank Service Fees	510	-80	581	500
77	Misc Expense	4383	-84	251	75
78	Prior Yr Exp	0	1700	144	0
79					
80	TOTAL INDIRECT	35634	30537	31252	31396
81	TOTAL EXPENSES	155722	142176	160817	139253
82					
83	PROFIT/LOSS	-8645	26440	33449	54230
84					
85					
86	Hobie income				
87					
88	Hobie expenses:				
89	Salaries				
90	Other				
91					
92	Profit				